

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**SB 49 – HB 656**

April 6, 2015

**SUMMARY OF BILL:** Creates three new specialty earmarked license plates for Tennessee residents who receive the Combat Action Badge, the Combat Infantry Badge, or the Combat Medical Badge.

**ESTIMATED FISCAL IMPACT:**

On March 1, 2015, a fiscal note was issued estimating the fiscal impact as follow:

*Increase State Revenue –*

*\$4,300/General Fund/FY15-16*

*\$7,700/Centerstone Military Services, Inc./FY15-16*

*\$7,600/SAFE: Soldiers and Families Embraced, Inc./FY15-16*

*\$12,300/Tennessee Arts Commission/FY15-16*

*\$3,100/Highway Fund/FY15-16*

*\$8,800/Centerstone Military Services, Inc. FY16-17 and Subsequent Years*

*\$8,700/SAFE: Soldiers and Families Embraced, Inc./FY16-17 and Subsequent Years*

*\$14,000/Tennessee Arts Commission/FY16-17 and Subsequent Years*

*\$3,500/Highway Fund/FY16-17 and Subsequent Years*

*Increase State Expenditures - \$4,300/FY15-16*

This impact failed to take into account three different specialty license plates. The estimated fiscal impact is:

**(CORRECTED)**

**Increase State Revenue –**

**\$12,800/General Fund/FY15-16**

**\$23,100/Centerstone Military Services, Inc./FY15-16**

**\$23,000/SAFE: Soldiers and Families Embraced, Inc./FY15-16**

**\$36,900/Tennessee Arts Commission/FY15-16**

**\$9,200/Highway Fund/FY15-16**

**\$26,300/Centerstone Military Services, Inc. FY16-17 and Subsequent Years**

**\$26,200/SAFE: Soldiers and Families Embraced, Inc./FY16-17 and Subsequent Years**

**\$42,000/Tennessee Arts Commission/FY16-17 and Subsequent Years**

**SB 49 – HB 656 (CORRECTED)**

**\$10,500/Highway Fund/FY16-17 and Subsequent Years**

**Increase State Expenditures - \$12,800/FY15-16**

Corrected Assumptions:

- Pursuant to Tenn. Code Ann. § 55-4-201(h)(1), new specialty earmarked license plates will be subject to a minimum order of at least 1,000 plates prior to initial issuance. Any plate that does not meet the minimum order requirement within one year after passage of the authorizing act will become invalid.
- One thousand new plates will be purchased at \$35 each by individuals that currently do not have a specialty plate for each combat badge resulting in revenue of \$105,000 (1,000 plates x 3 types of combat badges x \$35 each).
- One-time production costs of \$4.25 per license plate resulting in one-time expenditures of \$12,750 (1,000 x 3 types of combat badges x \$4.25).
- Net proceeds from the sale of these plates will be allocated as follows: 25 percent to the Centerstone Military Services, Inc.; 25 percent to the SAFE: Soldiers and Families Embraced, Inc.; 40 percent to the Tennessee Arts Commission; and 10 percent to the state Highway Fund.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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